

Analyst Briefing Notes

Budget Committee

(February 10, 2009)

PART I: 2009 OPERATING BUDGET

Executive Summary	2
Recommendations	7

PART II: 3-YEAR SERVICE OVERVIEW AND PLAN

Service Challenges and Opportunities.....	8
Service Objectives.....	10
Priority Actions	11

PART III: 2008 BUDGET VARIANCE ANALYSIS

2008 Experience	13
Impact of 2008 Operating Variance on the 2009 Recommended Budget	13

PART IV: 2009 RECOMMENDED BASE BUDGET

2009 Recommended Base Budget.....	15
2009 Key Cost Drivers and Reduction Strategies	15

PART V: RECOMMENDED NEW/ENHANCED SERVICE PRIORITY ACTIONS

2009 Recommended New/Enhanced Service Priority Actions	19
--	----

PART VI: ISSUES FOR DISCUSSION

2009 Budget Issues.....	22
Issues Referred to the 2009 Operating Budget Process	27

Appendix A: 2009 Recommended Base Budget Changes vs. 2008 Approved Budget	28
--	----

Appendix B: Summary of Service Level Adjustments	29
---	----

Appendix C: Summary of 2009 Recommended New/Enhanced Service Priority Actions	30
--	----

Appendix D: Program Summary by Expenditure Category.....	31
---	----

Appendix E: Inflows/Outflows to/from Reserves and Reserve Funds	32
--	----

Contacts: Alan Cohen
 Manager, Financial Planning
 Tel: (416) 392-3740

 John Forsyth
 Senior Analyst, Financial Planning
 Tel: (416) 392-5198

PART I: 2009 OPERATING BUDGET**Executive Summary**

- Shelter, Support and Housing Administration provides emergency shelter and supports to homeless people and to those at risk of being homeless; administers the social housing stock in accordance with the criteria in the Social Housing Reform Act; administers the Provincial Consolidated Homelessness Prevention Program and the Federal Homelessness Partnering Strategy Program; and ensures the City is prepared to shelter and care for individuals and families in times of declared and non-declared emergencies.
- The key challenges and opportunities for Shelter, Support and Housing Administration over the next three years include:
 - Maintaining existing emergency shelter service levels in City funded shelters with inadequate resources, mainly due to the Provincial subsidy shortfall totalling \$31.1 million, where the Province caps the per diem at \$33.25 rather than paying the agreed upon 80% of actual costs;
 - Maintaining the social housing stock with depleted reserves;
 - Responding to ever increasing service demands for emergency responses with limited resources;
 - Managing new transitional affordable housing within the Social Housing Unit; and
 - Dealing with lack of Provincial funding for addiction and health care supports needed by homeless individuals on the street and in shelters.
- Shelter, Support and Housing Administration has established the following key service objectives over the next three years:
 - Continue using the “housing first” approach to help homeless individuals stabilize their lives by providing housing and community supports that help move them from the streets into homes;
 - Return shelters to their emergency role by supporting housing first initiatives in the shelter system such as Hostels to Home;
 - Manage the on-going service delivery of the social housing portfolio by maintaining service level standards through the provision of rent-geared-to income units and providing subsidies in accordance with the Social Housing Reform Act;
 - Develop a service delivery strategy that manages the service demands associated with neighbourhood emergencies such as blackouts, fires and building collapses; and
 - Provide support through community partnership agencies and emergency shelters that help protect the homeless or those at risk of homelessness.

- The 2009 Recommended Operating Budget provides \$7.266 million in base funding and \$1.145 million for new/ enhanced service priorities which address the Program's key service objectives and challenges, as outlined above:
 - Managing the on-going service delivery of social housing requires an increase in the 2009 Recommended Operating base of \$5.806 million to maintain existing service levels through providing decent, safe accommodation and to be in compliance with the funding formula outlined in the Social Housing Reform Act;
 - The increase in affordable housing units has resulted in need for the addition of 2 permanent social housing consultant positions at a cost of \$0.177 million gross and net being recommended for 2009. Since 2002, an additional 2,259 units of affordable housing in 44 new developments have been added to the social housing stock. The new staff will enhance the Program's capacity to manage the growing workload associated with the increase in units and to help manage on-going administrative requirements.
 - The need to develop a service delivery strategy for Emergency Mass Care has resulted in the need for one new permanent position at a cost of \$0.067 million gross and net (\$0.048 million annualized in 2010) is being recommended for 2009. The positions will assist in the development of City-wide protocol dealing with declared and undeclared emergencies, and to help with the training of City and agency staff who provide emergency assistance to citizens affected by emergencies and disasters and to educate the public regarding emergency preparedness.
 - To help provide support through community agencies that assist people who are homeless and those at risk of homelessness, the 2009 Recommended Operating Budget includes new provincial funding of \$0.901 million gross to be funded by the Provincial Consolidated Homelessness Prevention Program (CHPP) of \$0.319 million; and \$0.582 million through the Rent Bank Program. The new funding will enhance service to vulnerable people by supporting extended hours in 9 drop-in centres, and by providing additional support to tenants at risk of imminent eviction.
 - Also, the 2009 Recommended Budget for purchase of service hostels has increased by \$1.460 million. The increase is due to a 2% increase in Provincial subsidy and other rate adjustments for the provision of shelter services through third-party emergency shelter providers.
- For 2008, Shelter, Support and Housing Administration is projecting a favourable net expenditure of \$251.828 million, which is \$1.992 million or 0.8% below the 2008 Operating Budget of \$253.820 million net.
 - Year-end gross expenditures are projected to be under budget by \$26.151 million or 3.4% compared to budget, offset by a revenue variance of \$24.159 million or 4.8%, primarily due to the following:
 - savings of \$16.1 million gross in Social Housing costs (offsetting reductions in revenues) due to lower than budgeted property taxes, delays in housing allowance programs, interest-rate savings in mortgage renewals, and RGI subsidies; and

- savings of \$7.1 million gross from delays in grants for the Homelessness Partnering Strategy (HPI) and the Consolidated Homelessness Prevention Program (CHPP) community projects; as well as \$2.0 million in delays in grants and loans to fund affordable housing projects. These savings are offset by corresponding reductions in revenues.
- The favourable net is the result of increased subsidy for higher than planned bed nights of 0.9%, due to higher occupancy in the family sector, resulting from an increase of refugee claimants seeking assistance. As the increase in occupancy levels occurred in the City operated shelters, the per diem subsidy has increased, while expenditures (largely fixed) have not, resulting in a favourable net impact of \$1.9 million.
- Increased Shelter volumes for 2008 are anticipated to continue into 2009, with higher budgeted bed night volumes. These volume changes combined with the 2% increase in per diem results in a reduction of \$1.420 million required in 2009. The 2008 savings in salaries will continue into 2009, as the 2009 Recommended Operating Budget includes an increase in gapping of \$0.562 million. In addition, the 2009 Recommended Operating Budget has been adjusted to include the reduction of RGI subsidies, housing allowances, property tax savings, and mortgage subsidies.

Table 1: 2009 Recommended Budget

	2008		2009 Recommended Operating Budget			Change - 2009 Recommended from 2008 Approved Budget		FY Incremental Outlook	
	2008 Approved Budget	2008 Projected Actual	2009 Base	2009 Rec. New /Enhanced	2009 Operating Budget			2010	2011
	\$	\$	\$	\$	\$	\$	%	\$	\$
(In \$000s)									
GROSS EXP.	758,843.2	732,692.0	722,416.8	1,996.8	724,413.6	(34,429.6)	(4.5)	6,775.7	7,806.8
REVENUE	505,023.4	480,864.2	456,887.6	1,253.6	458,141.2	(46,882.2)	(9.3)	(29,981.2)	0.0
NET EXP.	253,819.8	251,827.8	265,529.2	743.2	266,272.4	12,452.6	4.9	36,756.9	7,806.8
Approved Positions	743.6	743.6	743.9	15.0	758.9	15.3	2.1	0.0	7.0
TARGET			248,743.4		248,743.4				
\$ Over / (Under) Program Target			16,785.8		17,529.0				
% Over / (Under) Program Target			6.7%		7.0%				

- The 2009 Recommended Operating Budget for Shelter, Support and Housing Administration, including funding for new/enhanced service priorities is \$266.272 million net, is \$12.453 million or 4.9% higher than the 2008 Approved Operating Budget, and \$17.529 million or 7.0% higher than the 2009 target set at 2% less than the 2008 Approved Operating Budget.
- The 2009 Recommended Operating Budget of \$266.272 million net is comprised of base funding of \$265.529 million net and funding for new/enhanced service priorities of \$1.997 million gross and \$0.744 million net. Approval of the 2009 Recommended Operating Budget will result in the Program’s staff complement increasing by 15.3 positions from 743.6 to 758.9 positions, mainly due to the newly opened Peter Street Shelter Assessment and Referral Centre, which includes a 40 bed emergency shelter operation.

- The 2009 Recommended Base Budget funds the Program’s key cost drivers including: the reversal of the 2008 contribution from the Social Housing Reserve Funds of \$30.472 million; the increase in Social Housing of \$5.806 million mainly for cost factor increases as directed by the Province; the annualized full year costs of Enhanced Streets to Homes of \$4.095 million; annualization of 2008 COLA plus merit and step increases that total \$1.631 million; and inflationary increases in non-labour costs of \$1.361 million.
- These pressures are partially offset by the following: funding of \$29.981 million from the Social Housing Reserve Funds, a net reduction in the cost of providing hostel services of \$1.420 million, mainly due to the 2% increase in the Provincial per diem rate; and efficiencies of \$0.692 million, comprised of an increase in gapping of \$0.562 million, and absorbing inflationary increases of \$0.130 million.
 - The 2010 net incremental increase of \$36.757 million includes: the reversal of the one-time contribution from the Social Housing Reserve Funds of \$29.981 million; \$5.6 million increase in Social Housing costs due to the increase in the Provincially regulated inflationary index, realty taxes and RGI increases; \$0.922 million for merit and step increases; and \$0.254 million resulting from the annualized cost for 15 new positions recommended in 2009.
 - The 2011 net incremental increase of \$7.807 million includes: \$6.0 million increase in Social Housing costs due to the increase in the subsidy for the Provincially regulated inflationary index, realty taxes, mortgage renewals, and RGI increases; \$0.936 million for merit and step increases; and \$0.871 million for the operating impact of the Social Housing IT System, with seven additional positions required to maintain the system.
- The 2009 Recommended Operating Budget requires base funding of \$42.990 million gross for priority actions and \$0.500 million gross for new priorities that advance the Mayor’s mandate and Council’s policy agenda of providing a positive alternative to life on the streets. These include the following:
 - **Continuing to develop the “housing first” approach to end street homelessness:** The 2009 Recommended Operating Budget includes \$13.354 million gross in the base to fund 70.4 positions and supports through the Enhanced Streets to Homes Program, a service that helps street involved people stabilize their lives through occupancy in private sector, supportive and affordable housing, and through providing community supports that help individuals stay housed.
 - **The opening of the 129 Peter Street Assessment and Referral Centre in February 2009, supports the delivery of the “housing first” approach to help individuals move from homelessness into housing:** New funding of \$0.500 million gross and net (\$0.206 million annualized in 2010) is included in the 2009 Recommended Operating Budget for 10 new permanent positions to support the opening of 129 Peter Street, a new 40 bed emergency shelter and referral centre that provides support to the City’s hardest-to-house clientele, focusing on providing a case management approach that provides higher levels of counseling and housing support. The Shelter will also provide 24/7 emergency shelter referral/ and telephone referral service for people seeking shelter.

- **Funding community agencies that provide supports to the homeless and those at risk:** The 2009 Recommended Operating Budget includes base funding of \$29.636 million gross for administering the partnership/ grant funding for the City's community partners, including the Homelessness Partnering Strategy (HPI) grant which supports more than 120 projects operated by community agencies; provincial funding and City funding that supports over 125 projects operated by community agencies, providing a wide variety of services to people who are homeless or at risk of homelessness.
- Maintaining hostel service levels with the ongoing Provincial short fall of \$31.1 million continues to be a challenge; as well, 2009 is the last year the Program will be able to offset base budget pressures using a contribution from the Social Housing Reserve Funds, as the Reserve Funds will be virtually depleted, leaving the Program with a starting pressure of \$29.981 million in 2010 and no funding for SOGR maintenance.
- The 2009 Recommended Operating Budget for SSHA supports the provision of a wide range of services, which includes:
 - opening of the new 40 bed shelter and referral centre at 129 Peter Street;
 - providing 1.412 million bed nights of emergency shelter (3,870 per night, 365 days a year) to homeless individuals (an increase of 2.5% over 2008), including the provision of meals and counselling;
 - providing 310,250 bed-nights of boarding home service to adults with psychiatric disabilities;
 - providing funding to more than 240 housing providers, (including the Toronto Community Housing Corporation), with 90,000 units of social housing;
 - administering the Homelessness Partnering Strategy and other Federal and Provincial grants to approximately 250 community agencies;
 - assisting homeless individuals move into housing through the Streets to Homes program, with over 2,300 individuals assisted into permanent housing since 2005, with the vast majority remaining in their new homes; and
 - developing and managing the Mass Care Program of the City's Emergency Plan.

Recommendations

The City Manager and Acting Chief Financial Officer recommend that:

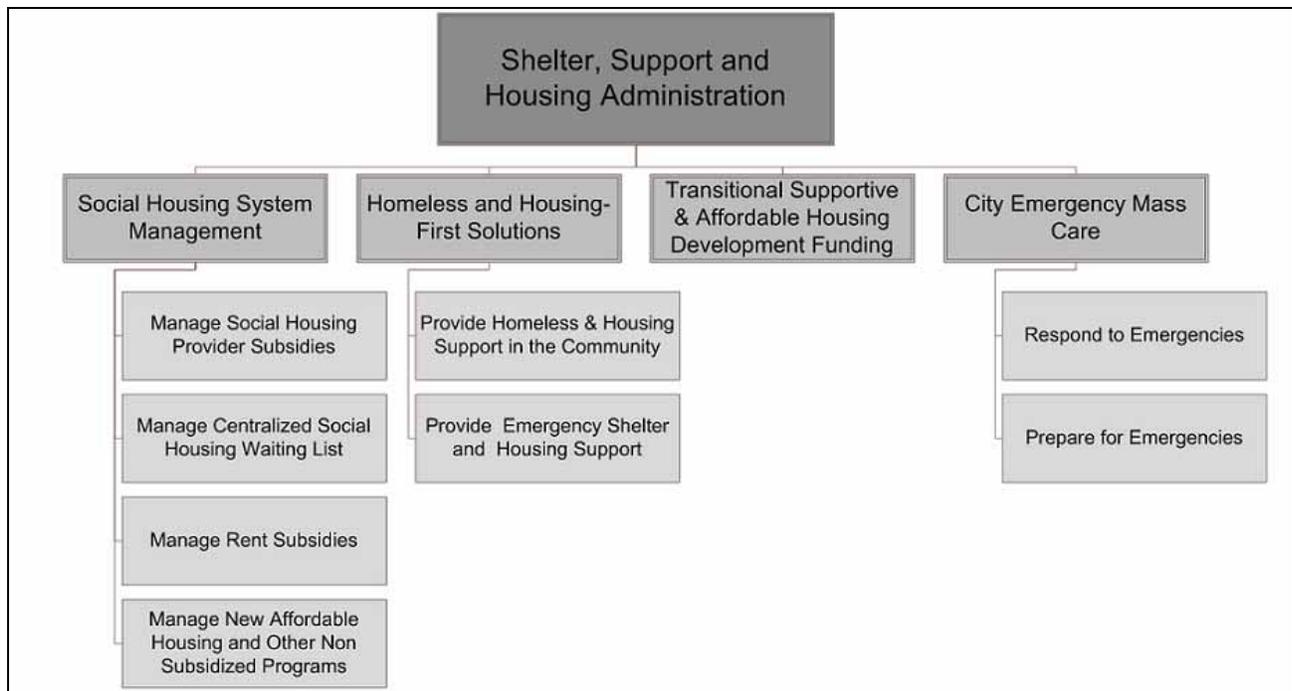
- (1) Council approve the 2009 Recommended Operating Budget for Shelter, Support and Housing Administration of \$724.414 million gross and \$266.272 million net, comprised of the following services:

<u>Service:</u>	<u>Gross</u> <u>(\$000s)</u>	<u>Net</u> <u>(\$000s)</u>
Program Support	2,679.2	2,427.0
Social Housing	542,563.2	197,874.6
Affordable Housing Programs	16,668.2	0.0
Hostel Services	121,610.3	57,202.0
Housing and Homelessness Supports	39,494.5	7,825.9
Partnership Development & Support	401.9	401.9
Emergency Planning Services	996.3	541.0
	<hr/>	<hr/>
Total Program Budget	<u>\$724,413.6</u>	<u>\$266,272.4</u>

PART II: 3-YEAR SERVICE OVERVIEW AND PLAN

- Shelter, Support and Housing Administration is responsible for the following services: provide 1.412 million bed nights of emergency shelter and supports to homeless people and to those at risk of being homeless; administers more than 90,000 units in the social housing stock in accordance with the criteria in the Social Housing Reform Act; administers the Provincial Consolidated Homelessness Prevention Program and the Federal Homelessness Partnering Strategy Program to more than 250 community agencies; administers the funding for new affordable housing projects once the projects have commenced construction; and ensures the City is prepared to shelter and care for individuals and families in times of declared and non-declared emergencies. Specifically, Shelter, Support and Housing Administration provides four services as detailed below:

Program Map



Service Challenges and Opportunities

Shelter, Support and Housing Administration faces significant challenges in its efforts to deliver its service objectives of providing “Homeless and Housing First Solutions”; in managing the social housing system; and providing City mass care in emergency situations.

Key external service drivers that provide a challenge for SSHA to address the Mayor's priority "of creating a city of opportunity for all through providing new initiatives to house the homeless" include:

- **Maintaining Existing Emergency Shelter Service Levels In City Funded Shelters With Limited Resources:** While Council has provided additional funding for the "Enhanced Streets to Homes Program", the Program is challenged to maintain existing homeless services due to a lack of funding from other orders of government. Emergency shelter services face the combination of the need to fund ongoing operating pressures and the lack of revenue resulting from the Provincial per diem shortfall of \$31.1 million, which makes funding existing services unsustainable.
- **Maintaining Social Housing Stock:** The Program is responsible for managing the social housing stock within the terms of the Social Housing Reform Act, which prescribes the funding formula that requires the City to provide increases in subsidy paid to housing providers with no additional funding from the Ministry of Municipal Affairs and Housing. At the same time, the Program faces the decline of federal funding, as the amortization of mortgages on specific projects is complete.

In addition, the Program reserve funds that were established in 2001 and 2002 to mitigate the financial exposure associated with Social Housing devolution are virtually depleted. These funds have been used to accommodate ongoing pressures within the Social Housing program, as well as to provide funding to housing providers for State of Good Repair (SOGR) maintenance. The 2009 Recommended Operating Budget includes a contribution of \$29.981 million from the Social Housing Reserve Fund, which fully depletes the Program reserves. In 2010 the Program will be faced with a funding gap of \$29.981 million given that the contribution is a one-time funding source; as well, there will be no funding available for SOGR in Social Housing.

- **Maintaining Sustainable Funding Levels For Community Agencies** SSHA is responsible for administering the community partnership programs with Federal and Provincial grants and funding that includes street outreach, housing help services within and outside of emergency shelters, the Supports to Daily Living program, drop-in services, pre-employment assistance, and landlord/tenant support approved through Council delegated authority to the Program General Manager. The Program maintains relations with community partners to deliver complicated programming through a network of approximately 250 local agencies. The Program's responsibilities include ensuring community agencies have on-going and sustainable funding at levels commensurate with the needs of the people they serve. The Program maintains these relationships in an environment of unstable funding, where Federal and Provincial funding commitments are often made late and with varying lengths of program duration, resulting in the potential for service interruption.
- **Lack of Health Care Assistance** Hostel Services has increasingly dealt with clients in the emergency shelter system who have profound health, mental health and addiction issues or require long term care (this is also true of the Streets to Home's Program). Because the Province has programming that addresses individuals with these issues, the care of these individuals should be funded directly by the Province, instead of through the per diem. The Program hired consultants to review of the funding model and the consultants report noted that, in 2005, 53,889

bed nights funded through the per diem should have been funded directly by the Ministry of Health and Long-term Care, as these were clients who required specialized care.

- **Responding to Service Demands for Emergency Planning:** In accordance with the legislated requirement under the provincial Emergency Management and Civil Protection Act, municipalities are required to maintain a service level that can provide a safe and effective response to citizens who are displaced in the event of an emergency or disaster. The Program is responsible for ensuring the City is prepared to shelter individuals and families in times of declared and non declared emergencies. SSHA is challenged to deliver this service with limited City resources, and limited Provincial support. As well, these services are delivered in an environment of high political and public expectations, where the specific Program mandate and service levels requirements are still under development.

Service Objectives

The service objectives for SSHA over the next 3 years address the challenges and opportunities as outlined in the previous section and reflects the Program's commitment to providing services that meet the Mayor's and City Council's priority and to meet legislative requirements. They include:

- **Implement the Enhanced Streets to Homes Program:** In order to implement a "housing first approach" to ending homelessness, in May 2008, Council approved the service enhancement to the Streets to Homes program to address the needs of people who are street involved, including those who panhandle. The pilot that was conducted in the summer of 2007 demonstrated that a social service response could be successful in addressing the needs of panhandlers. In fact, the results of the pilot showed that a large majority of panhandlers did not return to that behavior after Streets to Homes workers had provided assistance. SSHA has implemented a strategy that helps homeless individuals stabilize their lives through providing assistance to find housing and to keep that housing by a system of follow-up supports appropriate for their needs.
- **Ensure the on-going viability and sustainability of existing social housing:** As the Social Housing system manager for the City of Toronto, activities are largely prescribed by the Social Housing Reform Act. There are many challenges associated with the delivery of this service, which include the direct funding to the housing providers; maintaining the service level standards through the provision of rent-g geared-to-income units; minimizing the risk of losing social housing by managing projects in difficulty; forecasting economic/ social impacts and monitoring mortgage liability. The Program is also responsible for managing the social housing waiting list and managing all new affordable housing units, once construction has been completed.
- **Return the shelter system to its emergency service function:** As noted earlier, the clients being assisted in the shelter system face many complex challenges. In the absence of sufficient affordable and supportive housing and appropriate health, mental health and long term care programs, the shelter system, in addition to its emergency role, fulfills a transitional shelter role for those who cannot get appropriate housing or supports when they move into the community. The Hostels to Homes program, a Provincially funded initiative that helps clients move out of the shelter system and funds community supports, is a promising model that has been implemented over the last year.

- **Maintain sustainable funding levels for community agencies** The City of Toronto acts as the Consolidated Municipal Service Manager, as designated by the Provincial government for community services for people who are homeless, at risk of homelessness and eviction prevention. The Program administers the partnership/ grant funding for community services that are drawn from the City of Toronto Homeless Initiatives Fund (CT-HIF) in the Community Partnership and Investment Program (CPIP), from the Ministry of Community and Social Services Consolidated Homelessness Prevention Program (CHPP), from the Ministry of Municipal Affairs and Housing Provincial Rent Bank Fund and from the 2009 Recommended Operating Budget for SSHA. In addition, the Program manages the Federal Homelessness Partnering Strategy (HPI) grant. SSHA manages this programming through service agreements with the community agencies and receives annual Council approval for the funding recommendations.
- **Responding to Service Demands for Emergency Planning:** Publicly there are high expectations that the City will provide a wide range of services for evacuees in emergencies. While structure and policy exist for declared emergencies, there is a lack of resources and clarity of service expectations with respect to non-declared emergencies and neighbourhood events, which typically outnumber the formally declared emergencies. The Program will assist in the development of a service delivery strategy that includes clarifying service expectations, given the resource limitations.

Priority Actions

The 2009 Recommended Operating Budget provides base and new funding for a broad range of priority actions that advance the Mayor's Mandate and Council's policy agenda of helping to house individuals who are homeless and providing supports to keep them housed. These actions include the following:

- ***Homeless and Housing Supports Solutions***

As part of the "housing first" approach to ending homelessness, the 2009 Recommended Operating Budget includes base funding of \$13.354 million gross to fund 70.4 positions who provide 24/7 service in the winter and summer (three shifts), and maintain two shifts in the spring and fall to help all street involved people find and keep suitable housing, and to address related needs of people panhandling in the City. Additional service includes a single phone number for the public to call when there is public concern over street involved people in the downtown core. Staff will provide a "social service" response to calls from the public.

New funding of \$0.500 million gross is included in the 2009 Recommended Operating Budget for 10 new permanent positions (effective April 2009) to support the 129 Peter Street Shelter Assessment and Referral Centre, a new 40 bed shelter scheduled to open in spring 2009. The program will now be providing higher levels of counseling and housing support and will also provide 24 hour telephone referral service for emergency shelter throughout the system.

- ***Managing Social Housing***

The Program is responsible to fund and administering the social housing portfolio which includes approximately 240 housing providers with over 30,000 units, in addition to Toronto Community Housing Corporation which owns and manages approximately 58,500 units located in more than 2,000 buildings. The Program's role in the program administration of social housing includes not only funding, but also ensuring housing providers adhere to program requirements, establishing operating policies and providing advice and guidance.

New funding of \$0.177 million is recommended in the 2009 Operating Budget for the increase of two permanent positions in social housing administration (effective April 2009) to help manage the additional 2,259 units of social housing in 44 new projects that have been added to the social housing stock since 2002. It is anticipated that in 2009, the administration of another 1,563 units of affordable housing in 17 developments will be added to the social housing portfolio. Staff will need to work with the new housing providers to build their capacity of governance, administration, property management and building maintenance.

- ***Funding Community Agencies***

The 2009 Recommended Operating Budget includes base funding of \$29.636 million gross for administrating the partnership/ grant funding for the City's community partners. This funding includes the HPI grant that supports more than 120 projects operated by community agencies; provincial funding and City funding that supports over 125 projects operated by community agencies, providing services to people who are homeless or at risk of homelessness.

- ***Emergency Planning***

The 2009 Recommended Operating Budget includes base funding of \$0.911 million for City Emergency Mass Care, the service that delivers the first line response to citizens who are displaced by emergency events, helping individuals and families find emergency shelter. New funding of \$0.114 million is recommended for one permanent new position to further develop the service protocols through training City staff and working with community partners.

PART III: 2008 BUDGET VARIANCE ANALYSIS

Table 2: 2008 Budget Variance Review

	2007 Actuals	2008 Approved Budget	2008 Projected Actuals *	2008 Apprvd. Budget vs Projected Actuals Variance	
				(In \$000s)	
GROSS EXP.	696,672.2	758,843.2	732,692.0	26,151.2	3.4
REVENUES	445,190.1	505,023.4	480,864.2	24,159.2	4.8
NET EXP.	251,482.1	253,819.8	251,827.8	1,992.0	0.8
Approved Positions	699.0	743.6	743.6	0.0	0.0

Note: * Source is the Shelter Support and Housing Administration 2008 Third Quarter Budget Variance Report

2008 Experience

Shelter, Support and Housing Administration projects a favourable gross of \$26.151 million (3.4%), offset by a revenue variance of \$24.159 million (4.8%), resulting in a favourable net of \$1.992 million (0.8%) at year end.

At year-end, SSHA is projecting increased subsidy for higher than planned bed night volumes. As well, under spending in Social Housing is projected to be \$16.1 million, with savings in subsidies due to lower than budgeted property taxes; interest-rate savings in mortgage renewals; savings in Rent-Geared-to-Income (RGI) subsidies; and cost factor subsidy adjustments. The savings in Social Housing will reduce the budgeted reserve draw by the same amount. In addition, there is \$7.1 million in temporary delays in finalizing grants for HPI and CHPP community projects, as well as \$2.0 million in delays for grants and loans to fund affordable housing developments.

The favourable net variance is the result of increased subsidy for higher than planned bed nights of 12,038 (1,389,914 actual bed nights vs. budgeted volume of 1,377,876), due to higher refugee claimants in the family sector contributing to the variance of 0.9%. As the increase in occupancy levels is in the City operated shelters, where the cost of operations is largely fixed, the increase in occupancy results in an increase in subsidy, with a decrease in net expenditures.

Impact of 2008 Operating Variance on the 2009 Recommended Budget

Increased volume for emergency shelter is expected to continue into 2009, with higher budgeted bed night volumes of 34,490, increasing the 2008 budgeted volumes of 1,377,876 to in 1,412,366 in 2009, or a 2.5% increase from 2008. The volume increases are budgeted in the directly operated emergency shelters, with an additional 40,078 bed nights expected. Purchase of service hostels bed nights are reduced by 5,588. These volume changes combined with the 2% increase in per diem results in a reduction of \$1.420 million reflected in the 2009 Recommended Operating Budget.

The 2008 savings in salaries will continue into 2009, as the 2009 Recommended Operating Budget includes an increase in gapping of \$0.562 million, increasing the 2008 gapping from \$2.308 million (3.9%) to \$2.869 million (4.5%).

The 2008 under-expenditure will recur in 2009. The 2009 Recommended Operating Budget has been adjusted to include the reduction of RGI subsidies, property tax savings, and mortgage subsidies. (see detail on pg 23).

PART IV: 2009 RECOMMENDED BASE BUDGET

Table 3: 2009 Recommended Base Budget

	2008 Apprvd. Budget	2009 Recommended Base	Change		FY Incremental Outlook	
			2009 Recommended Base v. 2008 Apprvd. Budget		2010	2011
(In \$000s)	\$	\$	\$	%	\$	\$
GROSS EXP.	758,843.2	722,416.8	(36,426.4)	(4.8)	6,522.0	7,806.8
REVENUE	505,023.4	456,887.6	(48,135.8)	(9.5)	(29,981.2)	0.0
NET EXP.	253,819.8	265,529.2	11,709.4	4.6	36,503.2	7,806.8
Approved Positions	743.6	743.9	0.3	0.0		7.0
NET TARGET		248,743.4				
\$ Over / (Under) Program Target		16,785.8				
% Over / (Under) Program Target		6.7%				

2009 Recommended Base Budget

The 2009 Recommended Base Budget for Shelter, Support and Housing Administration is \$722.416 million and \$265.529 million net, and is \$16.785 million or 6.7% higher than the 2009 target of \$248.743 million, which is set a 2% less than the 2008 Operating Approved Budget.

The 2009 Recommended Base includes a draw of \$29.981 million from the Social Housing Reserve Funds, and minor service level reductions with an impact of \$0.692 million net, to partially offset 2009 budget pressures.

The 2009 gross expenditures are \$36.426 million less than the 2008 Approved Budget, with revenues \$48.136 million less than the 2008 Approved Budget. These changes are primarily the result of the following: annualization of the 2008 costs for Enhanced Streets to Homes and the reversal of the grant to Toronto Community Housing Corporation (TCHC) for capital repairs (\$75 million from the proceeds of the sale of Toronto Hydro Telecom), and the reduction in subsidies for the Homelessness Partnering Strategy (HPI) grant.

2009 Key Cost Drivers and Reduction Strategies

The 2009 Recommended Base budget incorporates the following key cost drivers and reduction strategies:

- The reversal of the 2008 contributions from the Social Housing Stabilization Reserve Fund of \$19.653 million, and the Social Housing Federal Stabilization of \$10.819 million;

- Annualized impact of the of Enhanced Streets to Homes Program of \$4.095 million, which includes funding for 48.1 temporary positions to help homeless and street involved individuals access services and move from shelters to private sector, supportive or affordable housing;
- Social Housing cost increases of \$5.806 million net (excluding reserve draws), as regulated by the Social Housing Reform Act, resulting from:
 - Garbage Levy of \$6.250 million for multi-residential units based on a net cost of \$78 per bin, based on estimated volumes of compressed waste.
 - The Provincially-issued annual cost factor increase of \$2.381 million, an indexed formula that calculates certain social housing providers' subsidy increases based on the relationship between housing providers' expenditures and tenant revenues.
 - These above increases are offset by a decrease in the base budget of \$4.398 million including: a reduction in RGI subsidies of \$3.090 million, primarily due to current market rate adjustments and a delay in the development of new affordable housing units; and a reduction in mortgage renewal costs of \$1.308 million, with a principal reduction of \$89.2 million as the mortgages for Federal and TCHC projects have reached the end of their term.
 - Revenue reductions of \$1.573 million include: \$1.082 million in federal subsidy as mortgages on specific properties have matured, and a decrease of \$0.491 million in funding from Social Housing Reserve Funds, as these reserves are fully depleted in 2009.
- Salaries and Benefits increased \$1.631 million net, with \$0.771 million due to harmonization and job reclassifications; \$0.693 million for merit and step increases; \$0.322 million for the annualized costs of 2008 COLA; and an offsetting reduction of \$0.155 million to reverse funding of one extra working day in 2008.
- Inflationary increases of \$1.361 million, mainly for third party purchase of service hostel providers.
- These base pressures are partially offset by a net reduction in the cost of providing hostel services of \$1.420 million due to the increase in bed night volumes of 34,490 thousand, and due to the 2% increase in Provincial subsidy.
- In addition, the base pressures have been further offset by the following strategies:
 - Funding of \$29.981 million from the Social Housing Reserve Funds, with \$21.577 million from the Social Housing Federal Reserve Fund, and \$8.404 million from the Social Housing Stabilization Reserve; and
 - An increase in gapping of \$0.562 million to reflect experience, and absorbing program inflationary increases of \$0.130 million.

2010 and 2011 Outlook: Net Incremental Impact

The 2010 and 2011 net incremental impact for Shelter, Support and Housing Administration maintain the 2009 service levels.

The 2010 Outlook includes a net increase of \$36.503 million, and is comprised of the following: \$29.981 million from the reversal of the 2009 reserve fund contributions; \$5.6 million increase in Social Housing costs resulting from adjustment to the Provincial inflation index; realty taxes and RGI costs increases; and \$0.922 million for merit and step increases.

The 2011 Outlook includes a net increase of \$7.807 million, and is comprised of the following: \$6.0 million increase in Social Housing costs due to changes in subsidy for the Provincial inflation index, realty taxes, mortgage renewals, and RGI subsidy increases; \$0.936 million for merit and step increases; and \$0.871 million for the operating impact of capital for the Social Housing IT System capital project (an additional seven positions are required to maintain the new IT system). The outlooks do not include a provision for COLA as it is subject to union negotiations.

PART V: RECOMMENDED NEW SERVICE PRIORITY ACTIONS

Table 4
2009 New / Enhanced Service Priority Actions: Summary
(In \$000s)

Description	2009 Recommended		Rec. New Positions	Net Incremental	
	Gross Exp.	Net Exp.		2010	2011
	\$	\$	#	\$	\$
Enhanced Services:					
(a) Enhanced Services - Council Approved					
Section 37 funding for TCHC	100.0	0.0			
(b) Enhanced Services - Program Initiated					
Emergency Mass Care Enhancement	66.7	66.7	1.0	47.7	
Additional Resources for the 129 Peter Street Shelter and Referral Centre	500.0	500.0	10.0	206.0	
Addition of Staff for Executive Administrative Office	252.2	0.0	2.0		
Addition of Staff for Social Housing	176.5	176.5	2.0		
New Funding for CHPP and Rent Bank Programs	901.4	0.0			
Sub-Total Enhanced Services	1,996.8	743.2	15.0	253.7	0.0
New Services:					
(a) New Services - Council Approved					
(b) New Services - Program Initiated					
Sub-Total New Service Priorities	0.0	0.0	0.0	0.0	0.0
Total Enhanced/ New Service Priorities	1,996.8	743.2	15.0	253.7	0.0

2009 Recommended New / Enhanced Service Priority Actions**Enhanced Service Priority Actions – Council Approved****Section 37 Agreement – 400 McCowan Road, Toronto Community Housing Corporation**

In April 2005, Council enacted Zoning By-law 328-2005 to permit the construction of three residential buildings in close proximity to the Scarborough Centre. The zoning by-law also set out the community benefits to be provided in exchange for the height and density considerations associated with the residential use of the lands in accordance with Sec 37 of the Planning Act. Specifically the owner was required to provide \$1.0 million to be used for park improvements for a new park that is part of the development and improvements to Albert Campbell Square, as well as to provide for playground equipment for local parks and/or schools within close proximity to the Scarborough Centre.

The 2009 Recommended Operating Budget includes \$0.1 million of this Section 37 Agreement fund to be allocated to the Toronto Community Housing Corporation as a grant to undertake the construction of a splash pad as a playground enhancement at 400 McCowan, a property owned and managed by TCHC.

Enhanced Service Priority Actions – Program Initiated**Emergency Mass Care Enhancement**

An emergency program that is a legislated requirement under the Emergency Management and Civil Protection Act, and municipalities have an essential service level that must be maintained. The Emergency Mass Care Service ensures the City has a mass care response plan in place in the event of a declared disaster or public emergency. The recent evacuations following the 2 Second fire and the Sunrise Propane blast have high lighted the need to build capacity in the area of preparing and training for response and actual response capacity. With additional resources, the City will be able to respond to and assist citizens affected by an emergency. Funding of \$0.067 million gross and net (\$0.048 million annualized in 2010) for one new permanent position is recommended, will add to the existing complement of five positions. The additional staff will assist in developing protocol and training for City staff to more effectively deliver mass care evacuation plans when emergencies unfold.

Additional Resources for the 129 Peter Street Shelter Assessment and Referral Centre

The 129 Peter Street Shelter Assessment and Referral Centre will open in spring 2009, providing 40 emergency shelter beds, street respite, shelter referrals and a case management service designed to assist people who are homeless find and keep housing within the Housing First framework. This facility is an integral part of the Streets to Homes Program.

This emergency shelter replaces the 110 Edward Street Shelter, which was a temporary 80 bed shelter and access centre. The shelter opened in 2005, and required 35.7 staff to support the operations. In 2007 the Edward Street program was closed to allow for demolition of the site and conversion to affordable housing. The overnight Assessment and Referral portion of the program

was relocated to a temporary site and the emergency shelter portion of the program was put on hold pending the renovation of 129 Peter Street.

The 129 Peter Street Shelter will open in spring 2009, providing 40 shelter beds and will include the existing Assessment and Referral function. Funding of \$0.5 million gross and net (\$0.206 annualized in 2010) is recommended for 2009 that will support 10 new permanent positions effective April 2009. The positions will provide case management and maintain shelter operations at 129 Peter Street Shelter and Referral Centre. The additional staff will increase complement to 31.1 approved positions. The Program will provide higher levels of counseling and support designed to assist street homeless people find, secure and maintain independent housing.

Addition of Staff for Executive Administrative Office

Funding of \$0.252 million gross \$0 net is recommended in 2009 for the addition of 2 Policy, Planning and Project Consultant effective April 2009 in Executive Administration Office, increasing the staffing complement from 3 to 5. Policy and Planning analysts conduct research and analysis that form the basis for the development of policies that help the Program address its challenges and opportunities. The new staff will assist in policy formulation and service planning. These positions will be 100% funded by the Province through the Consolidated Homelessness Prevention Program (CHPP).

Additional Staff for Social Housing

Under the *Social Housing Reform Act* the Program is responsible to fund and administering the social housing portfolio, which includes approximately 240 housing providers with approximately 30,000 units in addition to Toronto Community Housing Corporation, which owns and manages approximately 58,500 units located in over 2,000 buildings. In addition to funding the providers, the Program is responsible for ensuring adherence to program requirements, establishing operating policies and providing advice and guidance.

The Program also administers housing projects funded under the new Canada-Ontario Affordable Housing Program, and has experienced an 18.3% growth in social housing projects, as 2,259 new units in 44 new projects have been added to the City's social housing stock since 2002. As well, as part of the Mayor's priority of creating 1,000 new units of affordable housing each year, it is estimated that 20 new housing providers will be added to the social housing portfolio under administration each year.

The 2009 Recommended Operating Budget provides funding of \$0.177 million gross and net (no 2010 impact) for the addition of two Social Housing Consultant positions effective April 2009 for the Social Housing Unit that will increase the base complement from 53 to 55. The additional staff will enhance the Program's capacity handle the growing workload associated with the increased units and to help manage the on-going administrative requirements.

New Funding for CHPP and Rent Bank Programs

The Consolidated Homelessness Prevention Program (CHPP) is a provincial grant program that provides resources to over 130 community partners to help Torontonians find and keep housing. New funding of \$0.320 million gross and \$0 net funded from CHPP is included in the 2009

Recommended Operating Budget will be used to support extended hours in 9 drop-in centres across the City.

The Rent Bank Program, also a provincial grant program, is delivered to the community through seven Rent Bank Access Centres and the Neighbourhood Information Post. The program provides modest interest free loans to tenants at imminent risk of eviction to help avoid eviction. New funding of \$0.582 million and \$0 net is recommended in 2009, to be used to increase funding to the Neighbourhood Information Post, the central co-coordinator of the service, as well as to help fund the administrative cost of providing the program.

PART VI: ISSUES FOR DISCUSSION**2009 Budget Issues****2009 Social Housing Operating Budget Pressures**

The 2009 Recommended Operating Budget for Shelter, Support and Housing Administration includes an increase in Social Housing costs of \$5.806 million net from the 2008 Approved Operating Budget. The increase is comprised of a number of offsetting items and is summarized below:

- Increase of \$6.250 million for Solid Waste Garbage Levy for multi-residential units based on a net cost of \$78 per bin, using estimated volumes of compressed waste.
- Increase \$2.381 million in the Provincially-issued annual cost factor index, an indexed formula that calculates certain social housing providers' subsidy increases based on the relationship between housing providers' expenditures and tenant revenues.
- Decrease of \$3.090 million in Rent-Geared-to-Income subsidy (RGI), a rent subsidy which pays social housing providers and commercial landlords the difference between market rent and 30% of the tenants' gross income. The reduction is required, due to current market rate adjustments and a delay in development of new affordable housing units;
- Decrease of \$1.308 million in mortgage renewals, with a principle reduction of \$89.2 million as the mortgages for Federal and TCHC projects have reached the end of their term
- Revenue reductions of \$1.573 million which includes: \$1.082 million reduction in federal subsidy as mortgages on specific properties have matured, and a decrease of \$0.491 million in funding from Social Housing Reserve Funds, as these reserves are depleted in 2009;
- The 2010 and 2010 net increases of \$5.6 million, and \$6.0 million, respectively are projected for Social Housing Services. The most significant cost drivers in 2010 and 2011 will be the Provincially regulated inflationary increases, property tax increases, adjustments to RGI subsidy, along with reductions in Federal subsidy. These outlooks do not include any additional funding for the capital maintenance of projects under the administration of the Program.

2008 projected savings of \$16 million for Social Housing

The following table summarizes the projected 2008 savings in the Social Housing budget being carried forward into the 2009 Recommended Operating Budget:

Cost Driver	Gross Savings	Comment
RGI Subsidies	(4.302)	Attributed to difference of 4.7 % between budgeted Market Rent Index factor and actual factor
Housing Allowance Programs	(3.560)	Attributed to delays in delivery of new affordable housing units of \$1.418 million and take-up of subsidy by commercial landlords \$2.142 million
Property Tax Subsidies	(2.954)	Attributed to using previous year's tax estimates as basis for budget, while best practice would use actual bill from previous year
Settlements	(2.500)	Over statement of 2008 estimate for housing providers subsidy settlement
Mortgage Subsidy Provision	(1.596)	As 2007 was the last year for potential liabilities with housing providers over pre-download funding issues, this provision is no longer required
Mortgage Subsidies	(1.355)	Attributed to difference of 0.5 % between budgeted rate of 5.0% and actual renewal rate of 4.5%
Total 2008 Projected Savings	(16.267)	

The 2008 under-expenditure will recur in 2009. The 2009 Recommended Operating Budget has been adjusted to include the reduction of RGI subsidies, housing allowances, property tax savings, and mortgage subsidies

Social Housing Reserve Funds:

Two reserve funds are dedicated to fund Social Housing: the Social Housing Stabilization Reserve (projected 2008 ending balance of \$8.404 million), which was established in 2001; and the Social Housing Federal Reserve Fund, (projected 2008 ending balance of \$22.418 million), which was established in 2002.

These reserve funds were established: to mitigate the financial exposure associated with Social Housing devolution, including “to stabilize in-year variances as well as unanticipated year-to-year expenditure fluctuations; to help minimize or phase in their impacts on the property tax rate; to supplement funds for capital repairs, in regard to urgent needs or phase-in toward higher funding levels; and to fund other potential liabilities as they arise.”

These funds have been used to offset ongoing pressure within the Social Housing program, as well as to provide loans to housing providers for SOGR maintenance to housing stock. The 2009 Recommended Operating Budget includes a contribution of \$29.981 million to offset ongoing base pressure, pending confirmation of the reserves balances at year end.

The following table provides a summary of the transactions in the reserves since their inception in 2001:

SOCIAL HOUSING RESERVE FUNDS ACTIVITY SINCE INCEPTION												
(000's)	2001	2002	2003	2004	2005	2006	2007	2008	2009	Social Housing Stabilization Reserve Fund XR1106	Social Housing Federal Reserve Fund XR2105	Total Reserves
Beginning Balance	0.0	34,692.8	52,287.6	67,940.0	84,189.3	69,331.0	58,201.1	48,626.6	30,822.0	0.0	0.0	30,822.0
Add:												
Provincial Downloading Transfer	12,388.6									12,388.6		12,388.6
Divisional Net Surplus	20,405.5			3,003.5		660.0				24,069.0		24,069.0
Federal Transfer	1,781.3	17,960.5	11,148.2							4,809.8	26,080.2	30,890.0
GTA Pooling Adjustment				11,036.3	2,121.2					13,157.5		13,157.5
Provincial Transfer					839.7	500.0				1,339.7		1,339.7
Investment Income	117.4	1,557.0	4,504.2	3,221.2	3,835.8	3,903.9	3,473.6	834.8		12,142.4	9,305.5	21,447.9
Total additions	34,692.8	19,517.5	15,652.4	17,261.0	6,796.7	5,063.9	3,473.6	834.8		67,907.0	35,385.7	103,292.7
Less:												
Draw to fund Social Housing		(1,922.7)			(13,928.0)	(5,880.1)	(2,997.2)	(16,982.4)	(29,981.2)	(50,114.8)	(21,576.8)	(71,691.6)
Loan/Grant to Housing Providers for SOGR				(1,011.7)	(2,727.0)	(10,313.7)	(10,050.9)	(1,657.0)		(12,792.2)	(12,968.1)	(25,760.3)
Loan/Grant to TCHC for SOGR					(5,000.0)					(5,000.0)		(5,000.0)
Total withdrawals	0.0	(1,922.7)	0.0	(1,011.7)	(21,655.0)	(16,193.8)	(13,048.1)	(18,639.4)	(29,981.2)	(67,907.0)	(34,544.9)	(102,451.9)
Ending Balance	34,692.8	52,287.6	67,940.0	84,189.3	69,331.0	58,201.1	48,626.6	30,822.0	840.8	0.0	840.8	840.8

As the 2009 one-time reserve contribution virtually depletes the reserve balance, SSHA will be facing a pressure of \$29.981 million in 2010.

SOGR Backlog for Social Housing

In its 2008-2010 Community Management Plan, 2008 Toronto Community Housing Corporation (TCHC) noted that the transfer of housing stock in poor condition that had not received proper capital investment over a sustained period has produced a funding backlog estimated at \$300 million (2006). The backlog is expected to climb to \$350 million in 2008.

Toronto Community Housing invests close to \$50 million each year in capital repairs to its assets. In 2007, TCHC issued a \$250 million bond to be used to address capital repairs through its Building Renewal Program. Of this amount \$90 million will fund housing repairs over a four year term, and provide funding for the redevelopment of Don Mount Court, Regent Park, and the Railway Lands.

During 2008, the City provided \$75 million from the proceeds of the sale of Toronto Hydro Telecom to TCHC for capital repairs, and the Province contributed \$36 million for the same purpose. These investments are critical for improving units and buildings, and the well being of

tenants. With this additional funding, TCHC estimates that the unfunded SOGR backlog in its portfolio is now approximately \$200 million.

Maintaining the buildings in a state of good repair remains the organization’s biggest challenge. TCHC continues to face a constrained financial situation, with limited opportunities to leverage additional borrowing for re-investment. At this point any further investment in the assets to bring them up to a state of good repair must come primarily from external government sources.

In 2005, a building condition study of the physical condition of the non-TCHC social housing stock found that, while the buildings were generally in good condition, the present operating subsidy associated with major capital repairs was not sufficient to cover expected capital expenditures over the life-cycle of these buildings. In order to address these requirements, the City would need to increase the yearly subsidy by an additional \$34 million (in 2005 dollars) to the non-TCHC housing providers.

Since 2004, the City has loaned non-TCHC housing providers approximately \$25.760 million from its social housing reserves to address urgent capital repairs, in accordance with approved withdrawal policies. In addition, \$5.0 million has been loaned to TCHC to fund emergency repairs.

However, given the deficiency of the reserves, future ongoing funding for SOGR for social housing providers is uncertain. While the 2009 Federal Budget announced a commitment of \$2 billion for social housing, \$1.0 billion is dedicated to repairs to existing housing stock. This funding requires matching funds from the provinces. Details on how the federal funding programs will be delivered are not known at this time, however, staff will report to committee when specific details are known.

Hostel Services Volumes and Costs

The 2009 Recommended Operating Budget reflects an increase in volumes to match the budget to actual experience. The impact of these adjustments is savings of \$1.420 million net from 2008, which has been incorporated into 2009. The following table summarizes the changes in budgeted bed nights from 2008 to 2009:

Hostel Bednight Volume Change

Hostel Description	Bednights			Volume Variance Inc/(Dec)	Volume Percentage Change
	2008 Budget	2009 Recommended			
City Operated Shelters					
Seaton House	224,367	232,505	8,138	3.6%	
Women's Residence	39,800	35,405	(4,395)	-11.0%	
Robertson House	26,700	29,200	2,500	9.4%	
Family Residence	76,125	100,375	24,250	31.9%	
Birkdale Residence	60,000	66,000	6,000	10.0%	
129 Peter Street	9,555	13,140	3,585	37.5%	
Purchased Hostels	941,329	935,741	(5,588)	-0.6%	
Total	1,377,876	1,412,366	34,490	2.5%	

The 2009 Recommended Operating Budget includes an increase in bed nights from 1,377,876 in 2008 to 1,412,366 in 2009, an increase of 34,490 bed nights. This translates into a rise in the budgeted emergency shelter volume of 2.5% for 2009.

The increase in volume has provided savings of \$1.420 million, which has been reflected in SSHA’s Recommended 2009 Budget. The increase is largely due to the additional subsidy claim that can be made for the bed night changes of the directly operated shelters.

Hostel Provincial Funding Shortfall

The provision of emergency shelter services is subject to an 80/20 provincial/ municipal cost sharing agreement. However, the Province has capped the amount it contributes to the per-diem cost of shelter provision at rates that are lower than the actual cost of provision in Toronto. As a result, the Provincial funding shortfall for emergency shelter services is expected to remain at \$31.1 million for 2009. The shortfall for 2008 was \$30.7 million, and was \$28.9 million in 2007.

The 2009 shortfall is determined by identifying the differential between what the Province funds, which is \$33.25 per diem, and the true subsidy, which should be \$55.24, based on 80% of the actual cost of \$69.05 per diem. This results in a shortfall of \$21.99 per diem, which the City must absorb in the provision of emergency shelter services.

In the past the City has managed cost-sharing shortfalls in this service area with gapping and by absorbing pressures within existing budgets. Slight declines in bed night occupancy rates have also allowed the City to contain some of these program costs.

Affordable Housing Grants

The 2009 Recommended Operating Budget includes funding for the Affordable Housing development loans/grants, which are summarized in the following table:

Project Name	Number of Housing Units	2009 CRRF Budget *
YWCA - 110 Edward Street	300	500.0
WRP - Manse Road/Lawrence Avenue East	51	800.0
St. Clare's Multifaith - 48 Abell St	190	4,904.0
St. Clare's Multifaith - 200 Madison Ave	82	2,031.2
Woodgreen Community Housing - 270 Donlands Ave	44	585.2
Medallion Corp - 544 Birchmount Rd	152	4,043.2
West Toronto Support Services - 2335-2337 St. Clair Ave W	59	1,450.5
St. Clair West Affordable Housing - 1120 Ossington Ave	20	106.4
Parkdale Activity - 194 Dowling Ave & 1495 Queen St W	29	385.7
TCHC - 501 Adelaide St E & 288 King St E	140	1,862.0
Total	1,067	16,668.2
* CRRF - Capital Revolving Reserve Fund		

Issues Referred to the 2009 Operating Budget Process**Toronto Bed Bug Project Update**

At its meeting of November 17, 2008, the Board of Health recommended that the Budget Committee approve a request for one-time emergency funding of \$0.075 million gross and net in Toronto Public Health's 2009 Operating Budget to assist vulnerable adults who do not qualify for Ontario Works (OW) and Ontario Disability (ODSP) to purchase services to prepare their residents for bed bug pesticide treatment.

At the same meeting, the Board of Health requested that the General Manager, Shelter Support and Housing request funding for the expansion of the Bug and Scrub initiative as part of the 2009 Operating Budget process. The \$0.075 million request is not included in the Recommended Operating Budget.

The Program is collaborating with TCHC to consider ways in which an increase in services of the Bug and Scrub Program could be funded from within existing resources.

Appendix A

2009 Recommended Base Budget Changes vs. 2008 Approved Budget

	Summary of 2009 Base Budget Adjustments				Net Incremental Outlook	
	Approved Positions	Gross Expenditures	Revenues	Net	2010	2011
(\$000's)		\$	\$	\$	\$	\$
2008 Council Approved Operating Budget	743.6	712,063.6	458,301.3	253,762.3	0.0	0.0
In-year approvals and technical adjustments		46,779.6	46,722.1	57.5		
2008 Final Operating Budget	743.6	758,843.2	505,023.4	253,819.8	0.0	0.0
Prior year impacts	(3.0)	(40,189.6)	(77,171.8)	36,982.2		871.0
Zero base items						
Economic factors		1,372.8	11.5	1,361.3	922.0	935.8
Adjusted Base Budget	740.6	720,026.4	427,863.1	292,163.3	922.0	1,806.8
Other base changes	3.3	5,583.6	(1,706.7)	7,290.3	5,600.0	6,000.0
Base revenue changes						
2009 Base Budget Request	743.9	725,610.0	426,156.4	299,453.6	6,522.0	7,806.8
Other base changes						
Base revenue changes						
Recommended Base Adjustments:						
Other base changes		(2,501.0)	750.0	(3,251.0)		
Service efficiencies		(692.2)		(692.2)		
Revenue adjustments			29,981.2	(29,981.2)	29,981.2	
Minor service impact						
Major service impact						
Total Recommended Base Adjustments	0.0	(3,193.2)	30,731.2	(33,924.4)	29,981.2	0.0
2009 Recommended Base Budget	743.9	722,416.8	456,887.6	265,529.2	36,503.2	7,806.8
2009 Program Operating Target			N/A	248,743.4		
% Over (Under) Program Target				6.7%		
% Over (Under) 2008 Approved Budget				4.6%		

Appendix B

Summary of Service Level Adjustments

Appendix C

**Summary of 2009 Recommended New/Enhanced
Service Priority Actions**

Appendix D

Program Summary by Expenditure Category

CLUSTER: A							
PROGRAM: SHELTER SUPPORT AND HOUSING ADMINISTRATION							
	2008 Approved Budget	2008 Projected Actuals	2009 Recommended Budget	Change from 2008 Approved Budget		2010 Outlook	2011 Outlook
	\$	\$	\$	\$	%	\$	\$
Salaries and Benefits	57,005.9	55,780.0	61,610.2	4,604.3	8.1%	62,532.2	64,338.9
Materials and Supplies	4,870.0	4,363.3	5,035.6	165.6	3.4%	5,035.6	5,035.6
Equipment	691.0	594.5	593.1	(97.9)	(14.2%)	593.1	593.1
Services & Rents	63,072.2	60,312.0	64,834.4	1,762.2	2.8%	64,834.4	64,834.4
Contributions to Capital	1,126.4	1,129.0	1,142.6	16.2	1.4%	1,142.6	1,142.6
Contributions to Reserve/Res Funds	0.0	0.0	0.0	0.0	n/a	0.0	0.0
Other Expenditures	631,060.5	609,575.1	590,367.0	(40,693.5)	(6.4%)	595,967.0	601,967.0
Interdivisional Charges	1,017.2	938.1	830.7	(186.5)	(18.3%)	830.7	830.7
TOTAL GROSS EXPENDITURES	758,843.2	732,692.0	724,413.6	(34,429.6)	(4.5%)	730,935.6	738,742.3
Interdivisional Recoveries	11.3	11.3	7.3	(4.0)	(35.4%)	7.3	7.3
Provincial Subsidies	185,064.9	184,097.5	166,022.3	(19,042.6)	(10.3%)	166,022.3	166,022.3
Federal Subsidies	197,730.3	194,563.2	190,340.6	(7,389.7)	(3.7%)	190,340.6	190,340.6
Other Subsidies	66,267.0	66,267.0	52,267.0	(14,000.0)	(21.1%)	52,267.0	52,267.0
User Fees & Donations	921.4	933.4	921.4	0.0	0.0%	921.4	921.4
Transfers from Capital Fund	1,051.5	709.2	1,598.3	546.8	52.0%	1,598.3	1,598.3
Contribution from Reserve Funds	53,683.2	34,163.9	38,245.0	(15,438.2)	(28.8%)	8,263.8	8,263.8
Contribution from Reserve	0.0	0.0	8,712.2	8,712.2	n/a	8,712.2	8,712.2
Sundry Revenues	293.8	118.7	27.1	(266.7)	(90.8%)	27.1	27.1
TOTAL REVENUE	505,023.4	480,864.2	458,141.2	(46,882.2)	(9.3%)	428,160.0	428,160.0
TOTAL NET EXPENDITURES	253,819.8	251,827.8	266,272.4	12,452.6	4.9%	302,775.6	310,582.3
APPROVED POSITIONS	743.6	743.6	758.9	15.3	2.1%	758.9	765.5

Appendix E

Inflows / Outflows to / from Reserves & Reserve Funds

Reserve / Reserve Fund Name	Reserve / Reserve Fund Number	Balance as of December 30, 2008	Proposed Withdrawals (-) / Contributions (+)		
			2009	2010	2011
		\$	\$	\$	\$
Vehicle and Equipment Reserve Fund	XQ0003	14,212.1	24.2	24.2	24.2
Insurance Reserve Fund	XR1010	27,774.8	1,062.9	1,062.9	1,062.9
Sick Leave Reserve Fund	XR1007	52,259.4	55.5	55.5	55.5
Capital Revolving Reserve Fund	XR1058	22,224.0	(16,668.2)		
Social Housing Stabilization Reserve	XQ1106	8,404.4	(8,404.4)		
Social Housing Federal Reserve Fund	XR2105	22,423.6	(21,576.8)		
Total Reserve / Reserve Fund Draws / Contributions			(45,506.8)	1,142.6	1,142.6